

6.1 How to Buy a Car

Where do you start when you want to buy a car?

IWBAT

- Learn how dealerships calculate cost.
- Evaluate financing options.
- Study dealer incentives.

Via

- Capturing notes on my graphic organizer/note frame
- Whole class discussions to introduce and clarify key concepts
- Completing practice problems collaboratively with teacher support

6.1 How to Buy a Car

Three kinds of auto pricing

Invoice

MSRP

Book value

Kelly Blue Book

<http://www.kbb.com/>

Edmunds

<http://www.edmunds.com/>

TrueCar

<https://www.truecar.com/#/>

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car



2004 Honda CR

Style: **EX Sport Utility 4D** ▼

Mileage: **127000** [Change](#)

[Edit options](#) | [Check specs](#)



2004 Honda CR-V

Style: **EX Sport Utility 4D** ▼

Mileage: **127000** [Change](#)

[Edit options](#) | [Check specs](#)

Trade In to a Dealer | **Get an Instant Cash Offer** | **Sell to a Private Party**

Trade-in Value
\$4,444

\$3,980 **\$4,907**

TRADE-IN RANGE



[Good Condition](#)

Trade-in Values valid for your area through 12/3/2015
Track this car's values

Good Condition
\$5,752

Fair Condition Very Good Condition Excellent Condition

PRIVATE PARTY RANGE



[Good Condition](#)

Private Party Values valid for your area through 12/3/2015
Track this car's values

Next Step: Find a Car

Browse reviews, photos, specs and more.

[See what you should pay](#)

Search by Category

Select ▼

Sell Your Current Car

Reach millions of buyers on KBB.com and AutoTrader.com


[Place an ad](#)

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car

Car prices:

Sticker price - (Monroney sticker)

**CHEVROLET**

2012 CHEVROLET VOLT

EXTERIOR: WHITE DIAMOND TRICOAT
INTERIOR: JET BLACK/CERAMIC WHITE
ACCENTS

ENGINE, RANGE EXTENDER, 1.4L
ELECTRIC DRIVE UNIT, VOLTEC

Visit us at www.chevy.com

STANDARD EQUIPMENT
ITEMS LISTED BELOW ARE INCLUDED AT NO EXTRA CHARGE IN THE STANDARD VEHICLE PRICE SHOWN.
• 8 YEAR / 100,000 MILE BATTERY AND VOLTEC COMPONENT LIMITED WARRANTY
SEE DEALER FOR DETAILS
• 5 YEAR / 100,000 MILE POWERTRAIN LIMITED WARRANTY
SEE DEALER FOR DETAILS
MECHANICAL
• BATTERY, PROPULSION, LITHIUM ION,
• ELECTRIC DRIVE UNIT, VOLTEC
• ENGINE, RANGE EXTENDER, 1.4L INTERNAL COMBUSTION ENGINE
• TIRE SEALANT & INFLATOR KIT IN PLACE OF SPARE TIRE
SAFETY & SECURITY
• NAMED A 2012 TOP SAFETY PICK BY THE INSURANCE INSTITUTE FOR HIGHWAY SAFETY

• AIRBAGS, DUAL-STAGE FRONTAL, SIDE-IMPACT & KNEE FOR DRIVER AND FRONT PASSENGER
• AIRBAGS, ROOF RAIL
• SIDE-IMPACT FOR FRONT AND REAR OUTBOARD SEATING POSITIONS
• ANTILOCK BRAKE SYSTEM, 4 WHEEL DISC
• REAR CHILD SEAT LATCH ANCHORS
• THEFT DETERRENT SYSTEM, CONTENT THEFT ALARM
• DAYTIME RUNNING LAMPS
• STABILTRAK-STABILITY CONTROL INCLUDES TRACTION CONTROL
• REMOTE KEYLESS ENTRY WITH REMOTE START
• PEDESTRIAN FRIENDLY ALERT
• POWER DOOR LOCKS WITH LOCKOUT PROTECTION
• HEADLAMPS, AUTO ON/OFF
• TIRE PRESSURE MONITOR
• KEYLESS ACCESS

• 3 YRS ONSTAR DIRECTIONS & CONNECTIONS W/ AUTOMATIC CRASH RESPONSE, TURN-BY-TURN NAVIGATION, MYVOLT.COM, AND ONSTAR REMOTELINK (ASK DEALER ABOUT GEOGRAPHIC COVERAGE)
EXTERIOR
• MIRRORS, OUTSIDE HEATED, POWER ADJUSTABLE, BODY COLOR
• REAR WINDOW DEFROSTER
• WINDSHIELD WIPERS VARIABLE & INTERMITTENT
• WINDSHIELD, SOLAR ABSORBING
• WHEELS, 17" FORGED PAINTED ALUMINUM
INTERIOR
• COLOR TOUCH RADIO WITH 7" SCREEN, 6 SPEAKERS
• AIR CONDITIONING, AUTOMATIC
• AUXILIARY AUDIO INPUT JACK
• FLOOR MATS, CARPET FRONT/REAR
• INSIDE REARVIEW MIRROR

AUTO DIMMING
• STEERING COLUMN, TILT & TELESCOPING
• VISORS, ILLUMINATED VANITY MIRRORS
• EFFICIENCY DISPLAY SCREENS W/ PROGRAMMABLE CHARGE TIMES
• STEERING WHEEL RADIO CONTROLS
• CRUISE CONTROL
• FRONT BUCKET SEATS
• REAR SEAT, 40/40 SPLIT FOLDING SEATBACK
• POWER WINDOWS EXPRESS DOWN, DRIVER EXPRESS UP
• USB PORT
• XM RADIO + SERVICE SUBSCRIPTION SOLD SEPARATELY BY SIRIUSXM AFTER 3 MTHS
• UNIVERSAL HOME REMOTE
• BLUETOOTH FOR PHONE
OTHER
• CHARGE CORD, 120 V PORTABLE

OPTIONS & PRICING
MANUFACTURER'S SUGGESTED RETAIL PRICE
STANDARD VEHICLE PRICE \$39,145.00
OPTIONS INSTALLED BY THE MANUFACTURER (MAY REPLACE STANDARD EQUIPMENT SHOWN)
AUDIO SYSTEM WITH NAVIGATION, DVD ROM AND 30GB AUDIO HARD DRIVE STORAGE 1,995.00
PREMIUM TRIM PKG INCLUDES:
• LEATHER APPOINTED SEATING, PERFORATED
• HEATED FRONT SEAT, DRIVER AND PASSENGER
• LEATHER WRAP STEERING WHEEL
WHITE DIAMOND TRICOAT 995.00
POLISHED ALUMINUM WHEELS 595.00
BOSE PREMIUM SPEAKER SYSTEM 495.00
TOTAL OPTIONS \$5,475.00
TOTAL VEHICLE & OPTIONS \$44,620.00
DESTINATION CHARGE 850.00

TOTAL VEHICLE PRICE* \$45,470.00

EPA DOT Fuel Economy and Environment
Fuel Economy Compact cars range from 10 to 60 MPG. The best vehicle rates 112 MPG.
Electricity Charge Time: 4 hours (240V)
94 MPGe 36 kWh hrs per 100 miles
combined city/highway
Driving Range
At electric range 0 15 30 35 45 375 miles
Gasoline Only
37 MPG 2.7 gallons per 100 miles
combined city/highway
You save \$7,600
in fuel costs over 5 years compared to the average new vehicle.
Fuel Economy & Greenhouse Gas Rating (tailpipe only) Smog Rating (tailpipe only)
1 10 10 6 10 Best
This vehicle emits 87 grams CO₂ per mile. The best emits 0 grams per mile (tailpipe only). Producing and distributing fuel & electricity also create emissions; learn more at fuelconomy.gov.
Actual results will vary for many reasons, including driving conditions and how you drive and maintain your vehicle. The average new vehicle gets 22 MPG and costs \$12,600 to fuel over 5 years. Cost estimates are based on 15,000 miles per year at \$3.95 per gallon and \$0.12 per kWh-hr. This is a dual fueled automobile. MPGe is miles per gasoline gallon equivalent. Vehicle emissions are a significant cause of climate change and smog.
fuelconomy.gov
Smartphone QR Code

GOVERNMENT 5-STAR SAFETY RATINGS
Overall Vehicle Score ★★★★★
Based on the risk of injury in a frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.
Frontal Crash Driver ★★★★★ Passenger ★★★★★
Based on the risk of injury in a frontal impact. Should ONLY be compared to other vehicles of similar size and weight.
Side Crash Front seat ★★★★★ Rear seat ★★★★★
Based on the risk of injury in a side impact.
Rollover ★★★★★
Based on the risk of rollover in a single-vehicle crash.
Star ratings range from 1 to 5 stars (★★★★★) with 5 being the highest.
Source: National Highway Traffic Safety Administration (NHTSA)
www.safercar.gov or 1-888-327-4236

PARTS CONTENT INFORMATION
This label has been applied pursuant to Federal law. Do not remove prior to delivery to the ultimate purchaser. Includes Manufacturer's Recommended Pre-Delivery Service. Does not include dealer installed options and accessories not listed below, local taxes or license fees.
FOR VEHICLES IN THIS CARLINE:
U.S./CANADIAN PARTS CONTENT: 46%
MAJOR SOURCES OF FOREIGN PARTS CONTENT: KOREA 18%
NOTE: PARTS CONTENT DOES NOT INCLUDE FINAL ASSEMBLY, DISTRIBUTION, OR OTHER NON-PARTS COSTS.
FOR THIS VEHICLE:
FINAL ASSEMBLY POINT: DETROIT, MI U.S.A.
COUNTRY OF ORIGIN: ENGINE: UNITED STATES TRANSMISSION (ELECTRIC DRIVE UNIT): UNITED STATES
© 2012 General Motors LLC
GMSA, INC. (PNC) 2012-10000011
ORDER NO P07N2B SALES CODE E
SALES MODEL CODE 19C8
DEALER NO 31055
FINAL ASSEMBLY: DETROIT, MI U.S.A.
VIN 1G1RD6E46CU100281 REISSUE
DEALER TO WHOM DELIVERED
GENERAL MOTORS LLC
100 RENAISSANCE CTR/482-A25-C48

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car Window Sticker



IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car Window Sticker

<p>STANDARD EQUIPMENT</p> <p>ITEMS FEATURED BELOW ARE INCLUDED AT NO EXTRA CHARGE IN THE STANDARD VEHICLE PRICE SHOWN</p> <ul style="list-style-type: none"> • 8 YEAR / 100,000 MILE BATTERY AND VOLTEC COMPONENT LIMITED WARRANTY SEE DEALER FOR DETAILS • 5 YEAR / 100,000 MILE POWERTRAIN LIMITED WARRANTY SEE DEALER FOR DETAILS <p>MECHANICAL</p> <ul style="list-style-type: none"> • BATTERY, PROPULSION, LITHIUM ION, • ELECTRIC DRIVE UNIT, VOLTEC • ENGINE, RANGE EXTENDER, 1.4L INTERNAL COMBUSTION ENGINE • TIRE SEALANT & INFLATOR KIT IN PLACE OF SPARE TIRE <p>SAFETY & SECURITY</p> <ul style="list-style-type: none"> • NAMED A 2012 TOP SAFETY PICK BY THE INSURANCE INSTITUTE FOR HIGHWAY SAFETY 	<ul style="list-style-type: none"> • AIRBAGS, DUAL-STAGE FRONTAL, SIDE-IMPACT, & KNEE FOR DRIVER AND FRONT PASSENGER • AIRBAGS, ROOF RAIL SIDE-IMPACT FOR FRONT AND REAR OUTBOARD SEATING POSITIONS • ANTILOCK BRAKE SYSTEM, 4 WHEEL DISC • REAR CHILD SEAT LATCH ANCHORS • THEFT DETERRENT SYSTEM, CONTENT THEFT ALARM • DAYTIME RUNNING LAMPS • STABILITRAK-STABILITY CONTROL INCLUDES TRACTION CONTROL • REMOTE KEYLESS ENTRY WITH REMOTE START • PEDESTRIAN FRIENDLY ALERT • POWER DOOR LOCKS WITH LOCKOUT PROTECTION • HEADLAMPS, AUTO ON/OFF • TIRE PRESSURE MONITOR • KEYLESS ACCESS 	<ul style="list-style-type: none"> • 3 YRS ONSTAR DIRECTIONS & CONNECTIONS W/ AUTOMATIC CRASH RESPONSE, TURN-BY-TURN NAVIGATION, MYVOLT.COM, AND ONSTAR REMOTELINK (ASK DEALER ABOUT GEOGRAPHIC COVERAGE) <p>EXTERIOR</p> <ul style="list-style-type: none"> • MIRRORS, OUTSIDE HEATED, POWER ADJUSTABLE, BODY COLOR • REAR WINDOW DEFROSTER • WINDSHIELD WIPERS VARIABLE & INTERMITTENT • WINDSHIELD, SOLAR ABSORBING • WHEELS, 17" FORGED PAINTED ALUMINUM <p>INTERIOR</p> <ul style="list-style-type: none"> • COLOR TOUCH RADIO WITH 7" SCREEN, 6 SPEAKERS • AIR CONDITIONING, AUTOMATIC • AUXILIARY AUDIO INPUT JACK • FLOOR MATS, CARPET FRONT/REAR • INSIDE REARVIEW MIRROR, 	<p>AUTO DIMMING</p> <ul style="list-style-type: none"> • STEERING COLUMN, TILT & TELESCOPING • VISORS, ILLUMINATED VANITY MIRRORS • EFFICIENCY DISPLAY SCREENS W/ PROGRAMMABLE CHARGE TIMES • STEERING WHEEL RADIO CONTROLS • CRUISE CONTROL • FRONT BUCKET SEATS • REAR SEAT, 40/40 SPLIT FOLDING SEATBACK • POWER WINDOWS EXPRESS DOWN, DRIVER EXPRESS UP • USB PORT • XM RADIO + SERVICE SUBSCRIPTION SOLD SEPARATELY BY SIRIUSXM AFTER 3 MTHS • UNIVERSAL HOME REMOTE • BLUETOOTH FOR PHONE <p>OTHER</p> <ul style="list-style-type: none"> • CHARGE CORD, 120 V PORTABLE
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6.1 How to Buy a Car Window Sticker

Visit us at www.chevy.com

OPTIONS & PRICING		TOTAL VEHICLE PRICE* \$45,470.00	
MANUFACTURER'S SUGGESTED RETAIL PRICE			
STANDARD VEHICLE PRICE		\$39,145.00	
OPTIONS INSTALLED BY THE MANUFACTURER (MAY REPLACE STANDARD EQUIPMENT SHOWN)			
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PREMIUM TRIM PKG INCLUDES:	1,395.00		
• LEATHER APPOINTED SEATING, PERFORATED			
• HEATED FRONT SEAT, DRIVER AND PASSENGER			
• LEATHER WRAP STEERING WHEEL			
WHITE DIAMOND TRICOAT	995.00		
POLISHED ALUMINUM WHEELS	595.00		
BOSE PREMIUM SPEAKER SYSTEM	495.00		
TOTAL OPTIONS		\$5,475.00	
TOTAL VEHICLE & OPTIONS		\$44,620.00	
DESTINATION CHARGE		850.00	

Dealer markup

Sale price — invoice

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6.1 How to Buy a Car

Trade-in

Know the value of your current vehicle which you are replacing.

- Negotiate your best deal
lowest between Inv & MSRP
Agreement
- Then trade

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car

Negotiating

- 1) Look at the sticker price. Is it comparable to the book value on KBB?
 - Yes/Less room to bargain
 - No/More room to bargain

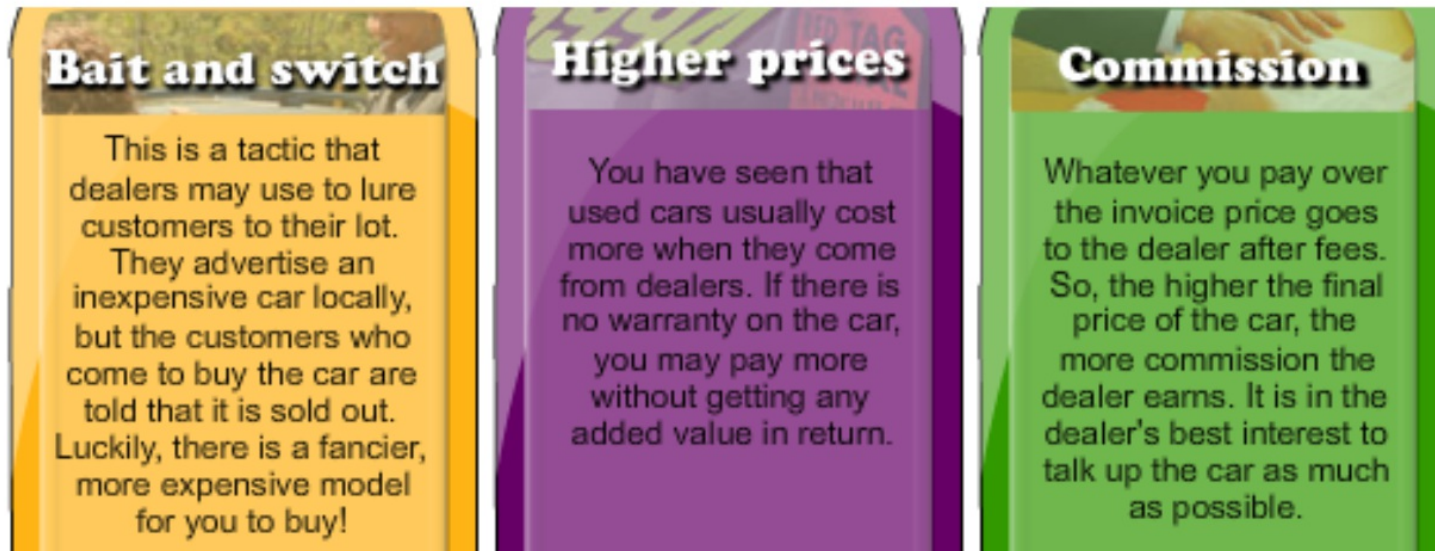
- 2) Calculate the markup from the invoice and sticker prices. Is it high or low?
 - High/More room to bargain
 - Low/Less room to bargain

- 3) Do you have a trade-in?
 - Yes/Discount
 - No/No discount

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6.1 How to Buy a Car

What pitfalls are there to buying from a dealer?



Flipping a car *purchase low, fix it up, sell for more*

+ + +profit

☐ Warranty ☐ As-Is

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car Incentives

New Luxury Model

\$1000 Cash Back

— OR —

\$750 Cash Back **Plus**

5.6% APR

— OR —

2.9% APR Available

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car

How would you fund the purchase of a car?

- ☐ Save money over time and buy the car with your own cash
- ☐ Borrow money from a parent, friend, or relative
- ☐ Get a loan from your bank and pay off the loan over time
- ☐ Make a down payment and get a loan from the dealership or manufacturer

Dealer financing

- Loans often front-load interest payments
- Dealer incentives
- Convenience
- High pressure to finance additional car options
- Allows spontaneous weekend or night purchase

Bank loans

- Lower interest rate
- Personal service
- Preapproval recommended
- Interest usually paid evenly throughout loan

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car

Balloon payment

Very small monthly payments for many months, but the final payment is the remaining principal.



\$199/Month

for 72 months on this \$22,100 car

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.1 How to Buy a Car

Vocabulary: Appendix A.3 Key Terms

Quiz 6.1.2

IWBAT learn how dealerships calculate cost, evaluate financing options, and study dealer incentives.

6.2 Buying a House

12/14/15

What are three things to consider when looking to purchase an automobile?

IWBAT

- Understand the house-buying process.
- Learn about different mortgage loans.
- Study escrow and what goes into the total house payment.

Via

- Capturing notes on my graphic organizer/note frame
- Whole class discussions to introduce and clarify key concepts
- Completing practice problems collaboratively with teacher support

6.2 Buying a House

Considerations of Home Ownership

Pros	Cons
<ul style="list-style-type: none">• Pride of ownership.• An investment that can potentially make money for you when you sell.• Tax savings (you can deduct part of your mortgage payment from your taxes, but you can't deduct rent).• Control over your environment (you can do anything you want to your own home and garden, but in a rental you have to abide by the landlord's rules).	<ul style="list-style-type: none">• When you take out a mortgage, you're stuck with a very big debt, and you're responsible for paying off the debt unless you sell your home.• While you have the freedom to change your home in any way, you're also responsible for all the maintenance. That can be hard work, and very costly.• It's not always easy to move if you want to. Unless you're very wealthy, you'll need to sell your home before you can move away.

IWBAT understand the house-buying process, learn about different mortgage loans, and study escrow and what goes into the total house payment.

6.2 Buying a House

Real Estate Agents

Benefits of using a real estate agent	Drawbacks of using a real estate agent
Can save time by narrowing down the list of homes to consider	Buyers may pay commission
Can determine if a home is fairly priced	Agent may not negotiate lowest possible price (because of commission)
Can act as an advocate in negotiations and write up the contract	Buyers probably won't meet sellers
Can point out potential problems in a house	If not an expert, agent may not know enough to offer buyers good advice

Only real estate agents have direct access to the MLS (Multiple Listing Service), but much of the same information is available elsewhere.

Realtor.com

Zillow.com

IWBAT understand the house-buying process, learn about different mortgage loans, and study escrow and what goes into the total house payment.

6.2 Buying a House

Comps (Comparable houses)

Realtor.com

Zillow.com

IWBAT understand the house-buying process, learn about different mortgage loans, and study escrow and what goes into the total house payment.

6.2 Buying a House

Mortgages

Secured Debt

Term

Rate

Fixed-rate mortgages

- Higher initial interest rate
- Interest rate stays the same
- Good for long-term owners
- Require higher credit rating

Adjustable-rate mortgages

- Lower initial interest rate
- Interest rate changes after initial period
- Good for short-term owners
- Offered to buyers with lower credit rating

IWBAT understand the house-buying process, learn about different mortgage loans, and study escrow and what goes into the total house payment.

6.2 Buying a House

Mortgages

Escrow

Default

Foreclosure

IWBAT understand the house-buying process, learn about different mortgage loans, and study escrow and what goes into the total house payment.

6.2 Buying a House

Mortgages

Down payment

PMI

80/20 Mortgage

IWBAT understand the house-buying process, learn about different mortgage loans, and study escrow and what goes into the total house payment.

6.2 Buying a House

Closing

Closing Fees

<i>Nonrecurring</i>	<i>Recurring</i>
Processing	Mortgage
Points	Property taxes
Appraisal	Private mortgage insurance (PMI)
Title	Homeowners insurance

IWBAT understand the house-buying process, learn about different mortgage loans, and study escrow and what goes into the total house payment.

6.2 Buying a House

Vocabulary: Appendix A.3 Key Terms

Quiz 6.2.2

IWBAT understand the house-buying process, learn about different mortgage loans, and study escrow and what goes into the total house payment.

6.3 Buying, Renting, & Leasing

12/18/15

What do these terms mean?

Buy

Rent

Lease

Finance

IWBAT

- Understand the terms of a lease.
- Learn what is involved in renting a car.
- Assess the costs and benefits of buying, leasing, or renting.

Via

- Capturing notes on my graphic organizer/note frame
- Whole class discussions to introduce and clarify key concepts
- Completing practice problems collaboratively with teacher support

6.3 Buying, Renting, & Leasing

No fixed ownership period	No use restrictions	No maintenance or repair costs
At the end of the payment period, you own the item	No depreciation	
Cheaper in the long run	Lower initial out-of-pocket expenses	
Easier than getting financing		

Rent/Lease	Buy (Finance)

IWBAT understand the terms of a lease, learn what is involved in renting a car, and assess the costs and benefits of buying, leasing, or renting.

6.3 Buying, Renting, & Leasing

2010 Apex Coupe
Lease Offer

Well-equipped with automatic transmission and premium package. Includes destination charge.



\$399*/month for 36 months

- \$399 first month's payment
- \$2800 down payment
- \$350 security deposit
- \$725 acquisition fee
- \$4214 cash due at signing

Mileage allowance

Lease penalty

*Lease financing available on 2010 Apex vehicles, only at participating Apex centers on leases assigned to Apex Financial Services NA, LLC/Financial Services Vehicle Trust through April 30, 2010. Monthly lease payments of \$339.00 for 36 months based on MSRP of \$35,500.00 (includes Premium Package, Automatic Transmission, and Destination). Total lease payments are \$12,204.00. Excludes tax, title, license, acquisition, and registration fees. Lessee must cover insurance and all items not covered under the Apex Maintenance Program. At lease end, lessee will be liable for disposition fee (\$350.00), any excess wear and use as set forth in the lease agreement, and excess mileage charges of \$0.20 per mile for miles driven in excess of 10,000 miles per year. Purchase option at lease end for \$21,655.00 excludes taxes. Lessee acquires no ownership interest unless purchase option is exercised. See participating Apex centers for details and vehicle availability.

IWBAT understand the terms of a lease, learn what is involved in renting a car, and assess the costs and benefits of buying, leasing, or renting.

6.3 Buying, Renting, & Leasing

Buy vs. Lease

	New car — paid off in 5 years	New car — paid off in 10 years	Lease
Monthly payment	\$477.99	\$253.31	\$341.39
Total cost after 3 years	\$17,207.64	\$9119.16	\$12,290.04
Total cost after 12 years	\$28,679.40	\$30,397.20	\$51,659.20

Why might it be better to lease rather than buy?

IWBAT understand the terms of a lease, learn what is involved in renting a car, and assess the costs and benefits of buying, leasing, or renting.

6.3 Buying, Renting, & Leasing

Car Rental

In addition to the basic costs of rental, there are additional fees that you may or may not want (or need) to add. For example:

- **Renting larger or fancier models or renting one way instead of round trip can increase the rental fee.**
- **Returning a car late or without refilling the gas tank can add significant costs to the final bill.**
- **Renters under the age of 25 are charged more for a rental.**
- ***Options* that add extra fees include a collision damage waiver (CDW), which pays for car damages arising from a collision, and a loss damage waiver, which covers costs due to accidental damage or theft.**

IWBAT understand the terms of a lease, learn what is involved in renting a car, and assess the costs and benefits of buying, leasing, or renting.

6.3 Buying, Renting, & Leasing

1/6/16

When should you: (answer in complete sentences)

Buy

Lease

Rent

IWBAT understand the terms of a lease, learn what is involved in renting a car, and assess the costs and benefits of buying, leasing, or renting.

6.3 Buying, Renting, & Leasing

Vocabulary: Appendix A.3 Key Terms

Quiz 6.3.2

IWBAT understand the terms of a lease, learn what is involved in renting a car, and assess the costs and benefits of buying, leasing, or renting.

6.4 Consumer Purchases & Agreements

1/06/16

Purchase Agreement -

YOUR USE OF THE APEX TUNESTER SERVICES IS GOVERNED BY THIS LEGAL AGREEMENT. TO USE THESE SERVICES YOU MUST AGREE TO THESE TERMS, BY CLICKING "AGREE." IF YOU DO NOT ACCEPT THE TERMS OF THE LEGAL AGREEMENT AND USE THE SERVICES, DO NOT CLICK THE "AGREE" BUTTON. YOU ARE SOLELY RESPONSIBLE FOR ENSURING THAT YOUR ACCOUNT INFORMATION AND ACCESS REMAINS SECURE. YOU ARE ACCOUNTABLE FOR ALL ACTIVITIES THAT OCCUR ON YOUR ACCOUNT. APEX TUNESTER SHALL NOT BE RESPONSIBLE FOR ANY LOSSES ARISING OUT OF THE UNAUTHORIZED USE OF YOUR ACCOUNT.

IWBAT

- Explore and apply the PACED model to consumer purchases.
- Examine buyer and rental agreements.
- Study financing agreements.

Via

- Capturing notes on my graphic organizer/note frame
- Whole class discussions to introduce and clarify key concepts
- Completing practice problems collaboratively with teacher support

6.4 Consumer Purchases & Agreements

Rental Agreement -

What would you rent, why, and for how long?

IWBAT explore and apply the PACED model to consumer purchases, examine buyer and rental agreements, and study financing agreements.

6.4 Consumer Purchases & Agreements

Any rental agreement will include:

- Names of the parties of the agreement
- The starting date and duration of the agreement
- The specific object being rented (identified by street address or serial or other identification number)
- Conditions for renewal or nonrenewal
- A specific payment schedule (for example, a lump sum or periodic payments) for granting the use of this object
- Provisions for a security deposit and terms for its return
- Other conditions. For example:
 - Insurance for loss
 - Restrictions on use
 - Which party is responsible for maintenance

IWBAT explore and apply the PACED model to consumer purchases, examine buyer and rental agreements, and study financing agreements.

6.4 Consumer Purchases & Agreements

Financing Agreement -

Loan Agreement Terms	
Word	Meaning
Co-signer	Taking back property paid for with a loan if the loan is in default
Default	Someone who also signs the loan and is equally responsible for repayment
Repossession	Promise to pay
Prepayment penalty	Failure to pay back a loan
Collateral	Property used to secure a loan
Promissory note	A fee assessed when the loan is repaid early

IWBAT explore and apply the PACED model to consumer purchases, examine buyer and rental agreements, and study financing agreements.

6.4 Consumer Purchases & Agreements

Any loan agreement will include:

- Names of the lender and the borrower
- Promise (promissory note) to pay amount borrowed plus any additional charges and interest
- Breakdown of the loan:
 - Amount
 - Amount financed
 - Finance charges
 - Total of payments
 - Annual rate
- Repayment terms:
 - Payment amount
 - Number of payments
 - Start date
 - Ending date
 - Frequency
- Any prepayment penalties for paying off the loan early
- Late charge — specifies the grace period and the amount of the late charge
- Security — collateral
- Default — outlines action in case of default, such as additional interest, fees, or repossession.
- Co-borrowers — cosigners who are equally responsible for the loan

IWBAT explore and apply the PACED model to consumer purchases, examine buyer and rental agreements, and study financing agreements.

6.4 Consumer Purchases & Agreements

PACED decision making tool:

1. Define the *problem*
2. List the *alternatives*
3. Select *criteria*
4. *Evaluate* the alternatives
5. Make a *decision*

Problem -

Alternatives -

IWBAT explore and apply the PACED model to consumer purchases, examine buyer and rental agreements, and study financing agreements.

6.4 Consumer Purchases & Agreements

Criteria -

Evaluate -

Decide -

IWBAT explore and apply the PACED model to consumer purchases, examine buyer and rental agreements, and study financing agreements.

6.4 Consumer Purchases & Agreements

Vocabulary: Appendix A.3 Key Terms

Quiz 6.4.2

IWBAT explore and apply the PACED model to consumer purchases, examine buyer and rental agreements, and study financing agreements.

What is marketing?

IWBAT

- Analyze the role that cultural, social, and emotional influences have on financial behavior.
- Analyze the impact of marketing, advertising, and sales strategies and techniques on purchasing decisions (e.g., impulse buying, delayed purchasing).
- Understand the 4Ps of marketing

Via

- Capturing notes on my graphic organizer/note frame
- Whole class discussions to introduce and clarify key concepts
- Completing practice problems collaboratively with teacher support

6.5 Marketing

The 4 Ps of Marketing:

- Product
- Placement
- Promotion
- Price

Product

IWBAT analyze the role that cultural, social, and emotional influences have on financial behavior; analyze the impact of marketing, advertising, and sales strategies and techniques on purchasing decisions (e.g., impulse buying, delayed purchasing); and understand the 4Ps of marketing

6.5 Marketing Placement

IWBAT analyze the role that cultural, social, and emotional influences have on financial behavior; analyze the impact of marketing, advertising, and sales strategies and techniques on purchasing decisions (e.g., impulse buying, delayed purchasing); and understand the 4Ps of marketing

6.5 Marketing Promotion

IWBAT analyze the role that cultural, social, and emotional influences have on financial behavior; analyze the impact of marketing, advertising, and sales strategies and techniques on purchasing decisions (e.g., impulse buying, delayed purchasing); and understand the 4Ps of marketing

6.5 Marketing

Impulse buy

Delayed purchase

IWBAT analyze the role that cultural, social, and emotional influences have on financial behavior; analyze the impact of marketing, advertising, and sales strategies and techniques on purchasing decisions (e.g., impulse buying, delayed purchasing); and understand the 4Ps of marketing

6.5 Marketing Price

IWBAT analyze the role that cultural, social, and emotional influences have on financial behavior; analyze the impact of marketing, advertising, and sales strategies and techniques on purchasing decisions (e.g., impulse buying, delayed purchasing); and understand the 4Ps of marketing

6.5 Marketing

Why buy?

Internal factors:

External factors:

Marketing:

IWBAT analyze the role that cultural, social, and emotional influences have on financial behavior; analyze the impact of marketing, advertising, and sales strategies and techniques on purchasing decisions (e.g., impulse buying, delayed purchasing); and understand the 4Ps of marketing

Vocabulary: Appendix A.3 Key Terms

Quiz 6.5.2

IWBAT analyze the role that cultural, social, and emotional influences have on financial behavior; analyze the impact of marketing, advertising, and sales strategies and techniques on purchasing decisions (e.g., impulse buying, delayed purchasing); and understand the 4Ps of marketing

Insurance Terms	
Term	Meaning
Life insurance	Pays for medical expenses such as physician visits, medications, and tests
Health insurance	Provides beneficiaries a sum upon the insured person's death
Auto insurance	Pays for damages and medical costs in the event of a vehicular accident
Long-term care insurance	Covers damage or theft of personal property in an apartment
Renters insurance	Pays for in-home or institutional care if a person is disabled

IWBAT

- Study various forms of insurance.
- Learn what factors affect insurance premiums.
- Assess when certain forms of insurance are needed.

Via

- Capturing notes on my graphic organizer/note frame
- Whole class discussions to introduce and clarify key concepts
- Completing practice problems collaboratively with teacher support

6.6 Insurance

Premium:

Factors affecting Auto Insurance Premiums:

IWBAT study various forms of insurance, learn what factors affect insurance premiums, and assess when certain forms of insurance are needed.

6.6 Insurance

Liability:

Type of coverage	What is covered
bodily injury liability	medical bills, rehabilitation costs, and lost income for those injured by the policy holder
property damage liability	damages done to the property of others (does not include the property of the policy holder)
collision coverage	damages done to the vehicle of the policy holder (covers collision with another vehicle or object, such as a mailbox)
comprehensive coverage	damages done to the vehicle of the policy holder (not due to a collision, such as when a tree falls on a car in a storm, or a window is broken in an act of vandalism.)

Deductible:

IWBAT study various forms of insurance, learn what factors affect insurance premiums, and assess when certain forms of insurance are needed.

6.6 Insurance

Renter's Insurance:

Property/Homeowner's Insurance:

Actual (Current) Value vs. Replacement Cost:

IWBAT study various forms of insurance, learn what factors affect insurance premiums, and assess when certain forms of insurance are needed.

6.6 Insurance

Life Insurance:

Group Life Insurance		Individual Life Insurance	
PROS	CONS	PROS	CONS
Cost: Cheap	Non-transferable: If you stop working for the company, your coverage stops.	Control: You personally own and control your policy.	Qualifications: You must prove insurability (that is, be healthy).
Ease: If you buy life insurance through your employer, you can deduct it directly from your paycheck.	Limited coverage: Usually, the amount paid is capped at twice the salary amount.	Unlimited: There are no coverage limits; you can buy a policy that will pay out as much money as you want.	Higher premium: Individual life insurance is more expensive than group.
Reduced premium: Often, your employer will cover a portion of the premium.	Cannot be purchased for family: Group life insurance can only be purchased for the employee (unlike health insurance, which can often extend to include dependents).	Longer coverage: Your coverage could last a lifetime.	
Guaranteed insurability/coverage: You do not have to meet any minimum qualifications to get coverage.		Transferable: Not tied to employment	
Same cost for all employees: The plan's cost is split evenly among all employees, so everyone pays the same premium regardless of age or health status.		Choices: A range of options available	

IWBAT study various forms of insurance, learn what factors affect insurance premiums, and assess when certain forms of insurance are needed.

6.6 Insurance

Term Life vs. Permanent Life:

Health Insurance:

Managed Care Plans Comparison	
Health Maintenance Organization (HMO)	Preferred Provider Organization (PPO)
<ul style="list-style-type: none">• Requires a primary care physician (PCP) who manages and coordinates all health care.• All tests and specialists must be preapproved and referred by the primary care physician.• Patient is usually responsible for all or most of the cost of using a physician outside of the HMO plan.	<ul style="list-style-type: none">• Can see any physician who is a member of the plan's network. No PCP is required.• No referral is required to see any specialist in the PPO network.• Using a physician outside of the PPO network results in higher costs for the patient.

IWBAT study various forms of insurance, learn what factors affect insurance premiums, and assess when certain forms of insurance are needed.

6.6 Insurance

Long-Term Care

Basic Activities of Daily Living

- Climb out of bed
- Walk to the bathroom
- Use the toilet
- Use the bath or shower
- Get dressed
- Eat breakfast
- Hygiene (bathing, grooming, shaving, toothbrushing)
- Continence (using the bathroom)
- Dressing
- Eating (the ability to feed oneself)
- Transferring (actions such as going from a seated to standing position and getting in and out of bed)

Long-term care insurance pays for a certified nurse to visit your home, any medical modification to the home, or the cost of a facility (such as a nursing home). Long-term care premiums increase with age, and insurability is dependent on current health, so it is important to get it while you're relatively young and healthy.

IWBAT study various forms of insurance, learn what factors affect insurance premiums, and assess when certain forms of insurance are needed.

6.6 Insurance

Insurance Terms			
	Term	Meaning	
A	Health insurance	Insurance that pays for doctors, hospital care, and medications	1
B	Life insurance	A monthly payment to an insurance company	2
C	Liability insurance	Insurance that pays for in-home or institutional care if someone is disabled	3
D	Long-term care insurance	The amount a person must pay before insurance coverage begins	4
E	Deductible	Insurance that pays out cash to beneficiaries after someone dies	5
F	Premium	Insurance that pays for car-related damage and injury	6
G	Auto insurance	Insurance that pays for accidental damage or injury for which someone is responsible	7

IWBAT study various forms of insurance, learn what factors affect insurance premiums, and assess when certain forms of insurance are needed.

6.6 Insurance

Vocabulary: Appendix A.3 Key Terms

Quiz 6.6.2

IWBAT study various forms of insurance, learn what factors affect insurance premiums, and assess when certain forms of insurance are needed.

6.7 Retirement

1/12/16

What does it mean to retire and when will you do it?

Retire?! I'm Not Even Employed Yet!

IWBAT

- Understand IRA accounts and 401(k)s.
- Understand the major distinction between Roth and traditional retirement accounts.
- Compare various retirement account options.

Via

- Capturing notes on my graphic organizer/note frame
- Whole class discussions to introduce and clarify key concepts
- Completing practice problems collaboratively with teacher support

6.7 Retirement

Saving for retirement

401(K)/403(B)

IRA

Traditional IRA

- Generally, you cannot access the money in the account until you are 59.5 years old.
- Under age 50, you may deposit \$5000 annually. After age 50, you may deposit \$6000 annually.
- The money in the IRA grows *tax free*, but once you withdraw the money it is taxed as regular income.

IWBAT understand IRA accounts and 401(k)s, understand the major distinction between Roth and traditional retirement accounts, and compare various retirement account options.

6.7 Retirement

401(K)/403(B)

Like an IRA, the money you contribute is tax-free.

There is a cap on contributions: up to \$16,500 for people under 50 and \$22,000 a year after that.

Often, your employer matches your contributions. For example, if you contribute \$1000, your employer might contribute \$500.

The employer money is also contributed tax-free — it is free money!

Withdrawals are taxed like ordinary income, like an IRA.

Withdrawals can begin at 59.5 years of age.

IWBAT understand IRA accounts and 401(k)s, understand the major distinction between Roth and traditional retirement accounts, and compare various retirement account options.

6.7 Retirement

Traditional vs. Roth

When you save through a traditional retirement account, you pay no taxes on your money until you withdraw it. That means you have more money to save — which means you have more money that can grow, thanks to investments in stocks, bonds, and money market accounts.

When you save through a Roth retirement account, you pay taxes up front — and nothing at all when you withdraw your money. Even though you have less money to put away, when it's time to actually withdraw your cash, you pay no extra taxes.

Which is better?

IWBAT understand IRA accounts and 401(k)s, understand the major distinction between Roth and traditional retirement accounts, and compare various retirement account options.

6.7 Retirement

Traditional vs. Roth

Roth 401(k) plans work exactly like regular 401(k) plans, except that the money is taxed when you contribute, rather than when you withdraw the money.

People generally pay less in taxes when they are younger because as they begin to earn more, they are taxed at a higher rate. For this reason, many people prefer the Roth 401(k) option, so that they pay the taxes at the lower rate.

IWBAT understand IRA accounts and 401(k)s, understand the major distinction between Roth and traditional retirement accounts, and compare various retirement account options.

6.7 Retirement

Traditional vs. Roth

Contributions to a traditional IRA are capped at \$5000 if you are under 50.

Flip

Traditional IRA

Roth IRA

Contributions to a Roth IRA are capped at \$5000 or at your taxable income, whichever is lower. For example, if you earn only \$2000 in taxable income, you can contribute at most \$2000 to your account.

There are income caps on who can contribute to a traditional IRA tax-free.

Flip

Traditional IRA

Roth IRA

There are income caps on who can contribute to a Roth IRA at all. For example, if you are single and earn more than \$105,000, you are no longer eligible to make the maximum contribution.

If you withdraw money from your traditional IRA before you are $59\frac{1}{2}$, you pay serious penalties.

Flip

Traditional IRA

Roth IRA

Distribution laws for Roth IRAs are much more liberal. For example, you can withdraw up to \$10,000 to buy a primary residence as a first-time homeowner without being penalized.

You must start withdrawing money from your traditional IRA at $70\frac{1}{2}$, or the government will confiscate half.

Flip

Traditional IRA

Roth IRA

Roth IRAs have no mandatory withdrawals, so they can be passed on to a spouse or to your heirs after your death.

IWBAT understand IRA accounts and 401(k)s, understand the major distinction between Roth and traditional retirement accounts, and compare various retirement account options.

6.7 Retirement

Traditional vs. Roth

Will you be making more when you're 65 than you make today? If your guess is "yes," you'll choose a Roth retirement account. If your guess is "no," you'll choose a traditional account. Which guess is right? Like all guesses, there's no way to know for sure. But most people do wind up making more money over the course of their careers, which means that a Roth account is usually the best option.

There are exceptions, though. For example, what if you expect to be working for 10 years, and then become a stay-at-home parent? Will you be making more at 65 than you're making today?

When you put money in an IRA, you hope to earn interest. With a traditional IRA, you are required to pay taxes on these earnings when you withdraw money. With a Roth IRA, this money is not taxed.

IWBAT understand IRA accounts and 401(k)s, understand the major distinction between Roth and traditional retirement accounts, and compare various retirement account options.

6.7 Retirement

Vocabulary: Appendix A.3 Key Terms

Quiz 6.7.2

IWBAT understand IRA accounts and 401(k)s, understand the major distinction between Roth and traditional retirement accounts, and compare various retirement account options.